

CHAPTER 3: FINANCIAL MANAGEMENT OPERATIONS

INTRODUCTION

Chapter Three delineates the missions and functions that financial management personnel perform on the non-linear, non-contiguous battlefield of the 21st century. By effectively executing the battlefield functions outlined in this chapter, finance and resource management personnel provide the supported commander with a significant combat multiplier.

LEGAL BASIS

The requirement for financial management is based in law. The Constitution, public laws, and several authorizations and appropriations acts require not only that financial management be performed, but also specify *how* it should be performed. The Constitution forbids the disbursement of funds from the Treasury unless funds are specifically appropriated by law. It also requires that the expenditure of public funds be reported periodically in published statements. Probably the most important law that generates the need for financial management is the Antideficiency Act, Chapters 13 and 15 of Title 31, United States Code. This law contains prohibitions with respect to the legal use of funds and has punitive provisions for violations of the prohibitions. Another law elevating the importance of financial management is the Chief Financial Officers (CFO) Act, Public Law 101-576, enacted in 1990. This law focuses the financial management efforts of all federal departments and agencies on how well taxpayer dollars are being spent.

The Feed and Forage Act (RS3732), 41 USC 11, may be utilized as authorized by the Department of Defense (DOD).

The Feed and Forage Act allows the Secretary of Defense to authorize obligations in excess of available appropriations to sustain operations. When this act is implemented, the Undersecretary of Defense (Comptroller) will issue specific instructions. Instructions will include prescription of the dollar levels for deficiencies by appropriations account.

FM 27-10, The Law of Land Warfare, contains provisions that affect all financial managers. This FM includes guidance on payments to Enemy Prisoners of War (EPWs).

See Appendix A for excerpts from some of these and other laws.

Finance officers, disbursing officers, agents, and other finance personnel entrusted with public funds are accountable for those funds at all times. They may be peculiarly liable for any losses incurred.

Restrictions

Some of the legal and regulatory restrictions that apply to financial management personnel follow:

- A paying agent may not serve simultaneously as an ordering officer.
- An ordering officer may not redelegate the responsibilities of ordering officer to any other officer.
- A finance officer may not be an ordering officer when performing finance duties.
- An Army finance officer may advance funds to members of a joint and/or multinational force, but is restricted to the limits delineated by joint and multinational agreements, or by the CJTF/CINC. Volume 5, DODFMR, Disbursing Policy and Procedures (DOD 7000.14-R) outlines other restrictions.
- The finance officer is not the proponent for utilization of intelligence funds; the J2/G2/S2 is. See Volume 5, DODFMR (DOD 7000.14-R); AR 381-141, Intelligence Contingency Funds; and AR 37-64, Finance and Accounting for Special Mission Funds.
- The resource manager provides limited funding authority to field ordering officers and contracting officers, who report the execution of those funds periodically to the resource manager.

Additional information on these and other restrictions is in Volumes 5 and 15, DODFMR (DOD 7000.14-R); The Security Assistance Management Manual (DOD 5105.38M); and Army Federal Acquisition Reg. Supplement Manual No. 2, Contingency Contracting.

Authorizations and Agreements

Financial managers must be aware of the seven authorizations and agreements, which have significant implications for the funding of operations.

- *632 Agreements (Department of State Funds):* The Department of State and the Department of Defense (DOD) may negotiate agreements where the DOD agrees to initially fund requirements that are legally the Department of State's responsibility. These are 632 Agreements. Generally, they are negotiated for a specific purpose with a specific amount of funds attached.
- *Emergency and Extraordinary Funds (E & E):* These are special funds that may be used to support certain unique requirements of operations. The specific statutes that cover these funds define the types of acceptable expenditures. Examples of some uses include the payment of foreign military personnel and compensation for removal of civilians from their land. These requests must have approval by DOD on a case by case basis.

- *Memoranda of Agreement (MOA)*: MOAs are legal documents between countries that delineate responsibilities among the participating countries. Among these responsibilities are the countries' financial liabilities when cooperating in joint military operations. These agreements define the specific mechanisms required for reimbursement of costs. The best example of the use of this authority is when coalition partners cooperate in a military operation. In this case, US forces can provide support to foreign forces with which the US has an MOA. The US then bills the countries directly for the support.
- *United Nations (UN) Letters of Assist (LOA)*: A UN LOA is a document issued by the UN to a contributing government that authorizes that government to provide goods or services to UN peacekeeping forces. A Letter of Assist typically details what the contributing governments will provide. The LOA establishes a funding limit that cannot be exceeded for that specific LOA. A UN LOA does not represent any increase in fund availability. The UN will reimburse contributing countries for the costs of their activities. The reimbursement will be in accordance with its standard procedures. The procedures are covered in UN Guidelines. The UN should approve all elements of national contributions and the extent of reimbursement prior to an actual deployment, if possible. The UN will not normally reimburse for activities undertaken, troops deployed, or costs incurred for items and services not agreed to in advance. Only expenditures in support of an operation approved by the UN Security Council and authorized by the General Assembly as a legitimate charge to the UN are eligible for reimbursement.
- *Reimbursement by UN*: Support to US forces prior to the takeover of an operation by the UN is *not* reimbursable by the UN. However, the RM can do many things prior to the establishment of a UN mission that will make reimbursement procedures easier once the UN has established control. In all cases, documentation to substantiate the cost is critical to receiving reimbursement. Once the UN has established a mission, it is important to present reimbursement bills to the UN on a monthly basis.
- *506 (a) (1) Drawdown Authority*: The President of the United States is authorized, in accordance with the Foreign Assistance Act of 1961, to direct the DOD to "drawdown" up to \$75 million worth of existing stocks and services, each year, to support foreign forces. The authority is named after the paragraph in the Foreign Assistance Act. This funding authority does not have any dollars attached to it. The funds actually used are O&M dollars. The DOD component responsible for reporting this information is the Defense Security Assistance Agency (DSAA). The Army component of DSAA is the United States Army Security Assistance Command (USASAC), which is a major subordinate command of the Army Materiel Command.

This funding authority tool is an unwieldy one when used as a funding authority for operations. Normal procedure for the use of this authority is that DSAA will direct the providing of supplies in two ways. First, DSAA will assemble a “push package” to send to the appropriate foreign contingent. Second, DSAA may direct, through an execute order, that certain stocks be provided to a specific foreign contingent.

FINANCIAL MANAGEMENT MISSIONS

Resource Management Mission

The resource management (RM) mission is to analyze the commander’s tasks and priorities, and to identify the financial resource requirements which will enable the commander to accomplish the mission. Resource managers acquire, program, budget, allocate, distribute, and control all funds. RMs evaluate and report the execution of funds. Resource managers provide critical advice the commander on the best allocation of scarce resources. Additionally, resource managers direct or coordinate analysis of current and future programs and budgets. RMs conduct other analyses, reviews, and reconciliations on behalf of the commander. Resource managers ensure the effective and efficient use of scarce funding resources to conduct or support command operations under any circumstances.

Resource managers develop and maintain close relationships with finance, logistical, and contracting operations. RMs also develop close relationships with supported commanders; the use of modular, tailorable resource management teams (see Chapter 5) facilitates effective RM operations at supported units. Appendix F contains details on tactical resource management operations.

Resource managers must have enhanced communications and adequate ADP equipment to conduct effective split-based operations.

Finance Mission

The finance mission during operations is to fund Army, joint, and multinational forces by providing timely procurement and contracting support, banking and currency support, US and non-US pay support, accounting and cost capturing support, and financial advice. Finance units also have the mission to protect and defend themselves, to continue sustainment of the force, and to maintain battle freedom for combat units to engage the enemy. Finance units support:

- o maneuver, logistical, and intelligence operations
- o soldiers and their families
- o US government civilians and other properly credentialed civilians (e.g., members of the press, USO, Red Cross, and contract personnel)
- o local national employees during joint and multinational operations.

As directed, finance units will also support airmen, sailors, and Marines, and servicemembers of other nations. In addition, finance units can provide support to other agencies of the US government. Finance units will provide support during peace, war, and contingency operations.

Finance support covers two areas: support provided to organizations and support provided to individuals. Organizational support includes support to many Combat, CS and CSS units, including: special operations forces (SOF), logistical units, military police units, the staff judge advocate (SJA), civil affairs units, and intelligence units. Organizational support also includes the accounting support provided to resource managers. Individual support includes support to soldiers, sailors, airmen, Marines, and civilians in the area of operations. Individual support also includes EPW/CI support.

Finance units provide support to deployed forces and to the families and military communities of home stations. Finance units also provide full support to rear detachment commanders and family members of deployed personnel, consistent with the finance unit's overall mission.

Finance support for the local procurement process and special programs provide the means for commanders to increase their relative combat power and effectiveness. Effective finance support across the entire battlefield continuum is a combat multiplier. The goal of finance commanders is to execute all functions that will enable Army, joint, and multinational forces to accomplish the mission.

Finance units must have enhanced communications and adequate ADP equipment to conduct effective split-based operations.

BATTLEFIELD FUNCTIONS

Financial Management battlefield functions cover two categories: resource management operations and finance operations. References to the "RM" imply the ASCC DCSRM, Corps ACSRM, and/or Division RM. References to the "finance commander" or "finance unit" imply the FINCOM, FG, FB, FD, and/or FST, depending on the level of operation.

Resource Management Operations

- *Provide advice to the commander.* The goal of the resource manager (RM) is to provide mission-essential funding when and where needed to ensure operational success, and to protect funds from fraud, waste, and abuse. The RM serves as the commander's "honest broker" during resource allocation discussions; the RM advises the commander on the best possible use of these resources.
- *Develop command resource requirements.* Estimate funding requirements to support operational missions. Prepare initial estimates of the costs to conduct operations, and continually refine estimates as operations continue. In developing the program and budget, the RM considers reimbursement issues

relating to joint and multinational operations, UN operations, and other interagency support. The RM determines as early as possible who is paying the bill for various aspects of an operation. The budget should reflect those decisions accordingly.

Resource requirements include theater infrastructure construction, materiel, and services for ports, communications, and road, rail, and river networks. The RM justifies command resource requirements, and presents the command's proposed budget through the designated chain of command. Justification is based on the best operational and logistical estimates to ensure credibility when presented to higher headquarters.

The RM must be proactive in planning, developing, administering, and supervising the preparation, analysis, justification, and execution of programs and budgets.

- *Identify sources of funding.* Determine all potential sources of funding, including various DOD appropriations, foreign cash contributions, host nation support (HNS), and foreign assistance-in-kind (AIK). The RM analyzes any applicable authorizations and agreements, such as those outlined on pages 3-4 and 3-5. Extraordinary measures, including emergency funding authorities such as Feed and Forage Act provisions, are also considered when appropriate.
- *Acquire funds.* Solicit and obtain obligation authority or other legal means of exchange to fund Army operations, and, as directed, joint and multinational operations.
- *Distribute and control funds.* Develop and implement procedures to distribute obligation authority or other means of exchange among units in the AO. Develop and implement procedures to respond quickly to valid changes in units' funding requirements or in the availability of funding sources. Procedures will adhere to US laws, regulations, and applicable policies. Effective and efficient fund control and certification are critical in the conduct of operations, especially those operations of a long duration. Loss of control may violate regulations or the law (see Appendix A), and puts the RM and the commander in jeopardy.

Resource managers provide limited funding authority to field ordering officers (OO) and contracting officers (KO). The RM requires OOs and KOs to report the execution of funds periodically. Finance units support contracting and ordering officers by providing cash, checks, and EFT payments.

- *Track commitments and obligations.* Establish reporting procedures that will let units report their estimated and/or actual commitments, obligations, and reimbursable costs, and estimate their future costs. Reporting procedures should be simple and flexible enough to ensure accurate reporting under any

circumstances, across the range of military operations. They must comply with the reporting requirements issued by HQDA for each operation. RMs consolidate cost reports periodically and provide them through appropriate command channels to HQDA and the Joint Chiefs of Staff (JCS). Accurate recording of costs in the accounting system is critical. Cost data reported through the accounting system provide commanders a means to make critical funding decisions and for justifying a supplemental appropriation request to Congress. RMs will capture costs using existing finance and accounting systems and procedures as outlined in Volume 4, DODFMR, Accounting Policy and Procedures (DOD 7000.14-R).

Resource management is closely linked to finance, logistical and contracting activities in the AO. In many instances, deploying units will be responsible for tracking and capturing ALL costs. Sometimes, however, the costs of centralized supply and logistical operations may be captured *outside* the AO, primarily by automated means. In any case, the RM, in conjunction with the supporting finance unit, captures the cost of intra-theater logistical and construction operations and locally procured supplies and services. Close coordination with the FINCOM is absolutely essential in providing effective accounting support to operations.

- *Track the value of allied support.* (This includes HNS and AIK). Develop and implement procedures in coordination with logistics elements to report the value of allied support provided in the AO. Coordination with the accounting branch of the FINCOM is also required in order to accurately account for allied support. Particular care must be taken in this arena due to the political sensitivity inherent in multinational operations. The RM tracks and budgets cash contributions in different currencies and develops logical and consistent methods to value both foreign currency contributions and AIK in US dollars. Reimbursement costs may develop with organizations such as NATO, the UN, the US Department of State, or other troop providing nations. If this occurs, the DCSR of the MACOM providing support will create the bill and submit it for payment/reimbursement in accordance with procedures contained in Volumes 5 and 12, DODFMR (DOD 7000.14-R).
- *Establish a management control process.* The RM establishes a management control process that provides reasonable assurance that obligations and costs comply with applicable laws. The process ensures funds and other assets are protected, and that revenues and expenditures are properly accounted for. This management control process is established as soon as possible. It is a critical operational and tactical consideration.
- *Manage and supervise manpower programs.* Depending on METT-T, this function may be performed in the AO and may require civilian TDA augmentation assets. The manpower function may be performed in

conjunction with the ASCC/corps/division G3, depending on the mission. This function includes documenting manpower programs and matters relating to tables of distribution and allowances (TDA), mobilization TDAs, modified tables of organization and equipment (MTOE), manpower control, and activation, reorganization, or inactivation of MTOE/TDA units.

- *Establish an internal review cell.* The senior resource manager establishes an internal review (I/R) cell to provide the commander with an internal audit and analysis capability. Once established, the I/R cell reports directly to the chief of staff of the ASCC/corps/division (see Chapter 5). The IR cell is staffed at a level commensurate with the stewardship responsibilities of command. As an operation continues, the I/R cell will focus on financial (appropriated and non-appropriated) and logistical issues. It may also serve as the command's focal point for dealing with external audit organizations.

Finance Operations

- *Support the procurement process.* Support to the logistical system and to contingency contracting efforts is critical to success during all operations. Finance units will provide funds for the purchase of goods and services needed in a more timely manner or are more economical to purchase locally than transport from home station. A large percentage of finance units' wartime efforts may be the execution of this responsibility. It is the responsibility of finance personnel to prevent improper or illegal payments. Finance personnel coordinate with support contracting personnel regarding local business practices. Procurement support includes two areas: contracting support and commercial vendor services (CVS) support.

-- Contracting support is normally a function of the finance group. It involves the payment of vendors for goods and services. Examples include all classes of supply, laundry operations, bath operations, transportation, and maintenance. The FG maximizes the use of EFT payments to vendors.

-- Commercial vendor services (CVS) support is for the immediate needs of the force. These are needs that the standard logistics systems cannot support. Finance support teams (FSTs) and paying agents normally pay cash for CVS (unless a credit/purchase card policy is in effect). Purchases are normally made in the local currency. Cash payments are usually for such items as pay for day laborers, class I supplements (not otherwise on contract) and the purchase of construction materials not readily available through the contract or supply system. This type of support increases during operations in lesser developed areas and remote sites.

-- Local procurement can augment the following supply and service areas.

- 1) **Class I: bottled water and food**
- 2) **Class II: organization equipment and clothing**
- 3) **Class III: petroleum, oils, and lubricants (POL)**

- 4) **Class IV: construction materials**
- 5) **Class V: ammunition**
- 6) **Class VI: troop support**
- 7) **Class VII: major equipment**
- 8) **Class VIII: medical supplies**
- 9) **Class IX: repair parts**
- 10) **Laborers (stevedores, drivers, mechanics, etc)**
- 11) **Dining facility and KP service**
- 12) **Clothing exchange and bath services**
- 13) **Sanitation**
- 14) **Mortuary affairs services (within specific parameters)**
- 15) **Transportation**
- 16) **Billeting**
- 17) **Utilities**
- 18) **Maintenance and repair**

Additional information on the procurement process and procedures is in Volume 10, DODFMR, Contract Payment Policy and Procedures (DOD 7000.14-R) and in Army Federal Acquisition Reg. Supplement Manual No. 2, Contingency Contracting.

"In the first 30 days (of Operation Restore Hope, Somalia), finance support touched more than one-third of the Army force deployed and was directly responsible for providing Army units the capability of employing more than 120 local citizens, freeing that number or more soldiers for the direct support of Operation Restore Hope."

-- 33d Finance Battalion AAR, May 1993

- ***Provide banking and currency support.*** Currency support includes supplying US currency, foreign currencies, US Treasury checks, foreign military scrip, military payment certificates (MPC), and, in some operations, precious metals (gold, silver) to US and multinational forces in the AO. Finance units provide currency and coins to AAFES facilities, Tactical Field Exchanges (TFE), and postal units, as operational considerations permit. Finance units provide cash for Automated Teller Machines (ATM) in the AO. Finance units also provide support for Force Provider operations, either by stocking ATMs with currency or through FSTs collocated with Force Provider units. Commanders maximize use of existing technology, to include Electronic Fund Transfers (EFT) in order to minimize the use of cash in the AO.

The finance command (FINCOM) commander will negotiate and provide liaison with any banking industry of a host nation to establish local depository (LD) accounts and banking procedures. The FINCOM may need to coordinate with the local Embassy, USAFINCOM, DFAS, and/or the Treasury Department when negotiating with host nation banking facilities.

The FINCOM commander will recommend guidelines for the control and use of US and foreign currencies and MPC in the AO. The FINCOM can also serve as the central funding facility for all services in the AO.

Finance commanders advise unit commanders on the use of local currency in the conduct of personal affairs. Restrictions may be imposed to prevent disruption of the local economy and to prevent and control black market operations and counterfeiting

- *Multinational Support.* Finance commanders must be aware if any agreements with allies or host nations include reciprocal financial support as authorized by P.L. 89-265. See Volume 5, DOD Financial Management Regulation DOD 7000.14-R. These agreements will be coordinated with the SJA for legal sufficiency prior to implementation. When an agreement has been negotiated between the US and an allied nation in accordance with this law, US disbursing officers may be authorized to advance currency on an emergency basis to cashiers or members of the allied nation's armed forces. Such agreements may require allied forces to provide reciprocal support to US forces.
- *Military Payment Certificates (MPC).* The Undersecretary of Defense (Comptroller) approves the implementation, conversion, or withdrawal of MPC. MPC will not be implemented unless the expected period of utilization exceeds six months. MPC will be used as a medium of exchange only by authorized personnel in designated areas. The FINCOM commander is responsible for providing MPC to all forces and authorized civilians within the AO. Information on MPC is in Volume 5, DODFMR, Disbursing Policy and Procedures (DOD 7000.14-R).
- *Currency Exchange.* Finance units plan to make currency exchanges for members of all services, DOD civilians, US contractor personnel, other US government personnel, nongovernmental organization (NGO) personnel, private voluntary organization (PVO) personnel, and paying agents. Currency exchanges include US currency to MPC and vice-versa, US currency to foreign currency and vice-versa, MPC to new MPC series, and one foreign currency to another foreign currency. Conversions must comply with currency control standards and discourage black market activities. Currency exchange, when done in large amounts, is very time-consuming. Finance units must plan well for these operations. Finance units may perform conversions due to a number of circumstances. They include: the movement of forces from one country to another, upon deployment to and departure from

the AO, to prevent and control black market activities, or to help control inflation. Finance units exercise caution when exchanging US currency to prevent their units from becoming laundry points for enemy currency, counterfeit currency, black market operations, and currency arbitrage (profits achieved through the buying and selling of foreign currency to take advantage of exchange rate fluctuations).

Finance units will make EFTs or may issue Treasury checks in exchange for excess currency accumulated by servicemembers. Military Banking Facilities (MBFs), Tactical Field Exchanges (TFEs), and NAF custodians may need to deposit their holdings of currency and coin with the nearest tactical finance unit. US currency and coin may be turned into the servicing finance unit in exchange for an EFT or a US Treasury check.

Complete changeouts from one currency or scrip to another may be required. The FINCOM commander will promulgate specific policy and procedures should a changeout become necessary.

- *Savings Deposit Program (SDP).* Finance units may receive deposits for the Savings Deposit Program, if implemented. Servicemembers can use allotment forms or can deposit checks or cash at their servicing finance unit. Specifics of the SDP vary according to the operation.
- *Control currency* Commanders will control the amounts of US currency, MPC, and foreign currencies available and used on the battlefield. This is necessary to control black market activities, secure the money of individual servicemembers, and help control problems related to currency inflation of either the US or the host nation currency. The finance command commander will recommend policies and procedures regarding limits on casual payments and check cashing amounts.
- *Destruction of Currency.* In a situation where it appears a finance unit's position may be overrun, the unit evacuates its currency. If evacuation is not possible and capture of funds seems inevitable, the finance unit disposes currency to prevent capture and use by the enemy. See Appendix B for details regarding the destruction of currency.
- *Currency Found in Personal Effects and Captured Currency.* Finance units inventory all currency, US or foreign, found among the personal effects of soldiers missing, captured, killed, or medically evacuated. The currency is turned into the nearest finance battalion (FB). The FB commander will issue an EFT or US Treasury check to be included with the soldier's personal effects (see AR 600-8-1). Captured currency (enemy, allied, neutral, or US) is turned in to the nearest FB for control and safekeeping. Appendix B contains procedures for handling captured currency.

- *Perform economic impact assessments.* Finance units analyze the economic impact of an operation on the local economy. The analysis includes, but is not limited to: how well the local financial infrastructure can support the deployed force; how US currency would affect the economy; and which currencies or scrip to use. Close coordination with civil affairs, RM, and, if applicable, US Embassy officials will ensure accurate assessments.
- *Provide liaison with battalion S1.* The soldier's primary contact with the finance unit will be through the battalion (BN) S 1 section. The S 1 will resolve less-complicated pay problems, answer pay-related inquiries, and provide liaison and coordination with its supporting FB or FD.
- *Provide US pay support.* As directed, finance units provide pay support to all services (both Active and Reserve components) and civilians. Finance units provide support when requested by commanders and as the situation permits. Availability of services will depend, in large part, on when finance units deploy. However, pay support is generally not provided to forces engaged in decisive operations. It is reasonable to expect that numerous pay changes will be generated after deployment. Finance units will provide requested pay support upon the request of supported commanders. Many routine pay transactions are input via interfaces with other systems and databases. If these other systems are not operational, finance units may input the transactions as necessary, since the finance commander is ultimately responsible for pay matters. Finance units maximize the use of automated systems (i.e. DFBS) to maintain soldiers' pay accounts.

"A lot of the soldiers in my platoon had problems with their paychecks. A finance team setup in our camp and listened to our complaints. All of our problems were taken care of within a few hours. It helps because now my soldiers can stop worrying about their pay. "

– SSG Daniel Ochoa

Company A, 3d Engineer Battalion, 24th Infantry Division (M)

Operation Desert Shield

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- *Leave and Earnings Statements (LES).* Finance units provide LESs and *Net Pay Advices (NPA)* to soldiers on a timely basis. Deployed finance units produce LESs in the AO using automated means. Rear detachment commanders ensure LESs are available to family members.

- *Unit Commander's Finance Report (UCFR).* Finance units provide copies of Unit Commander's Finance Reports (UCFR) to supported unit commanders. UCFRs contain pay-related information for entire company-sized elements, and assist commanders in taking care of soldiers.
- *Joint Pay Support.* Finance units carefully record and process payments made to members of other services. Vouchers can be sold between services in order to prevent cross-disbursements. For more details on joint pay procedures, see AR 37-104-4.
- *Provide DOD civilian pay support.* The requirements for civilian pay support are in Joint Pub 1.0. Pay support to DOD civilians will follow the same general guidelines as that provided to the uniformed force. The Defense Finance and Accounting Service (DFAS) is the owner of the automated civilian pay system. DFAS supports from home station the deployed finance units by receiving and processing civilian pay data transmitted from the area of operations. Additional information on civilian pay support is in Volume 8, DOD Financial Management Regulation (DOD 7000.14-R).
- *Provide travel support.* Travel support includes PCS and TDY travel advances and settlements for servicemembers and DOD civilians. Deployed personnel are likely to be in a TDY status (as opposed to field status), so the requirements for travel support could be immense -- even if entitlements are limited to incidental expenses. Reimbursable travel will be held to a minimum for the deployed force; however, during the early stages of the operation, there may be extensive requirements for TDY to and from the AO. To the maximum extent possible, payments will be made via EFT. Soldiers and DOD civilians will arrive in the AO with their travel entitlements satisfied. This principle assumes that, to the maximum extent possible, travel will be by military conveyance, meals and lodging will be provided at no cost, and per diem for military personnel will be limited to incidental expenses. Travel entitlements will be computed based on the orders directing travel and provisions of the Joint Federal Travel Regulations (JFTR). Volume 9, DODFMR, Travel Policy and Procedures (DOD 7000.14-R) contains additional details on travel support.

Travel support also includes noncombatant evacuation operation (NEO) travel advances to noncombatants when they evacuate from the AO (emergency evacuation allowances). The State Department may issue a noncombatant evacuation order for US citizens in the host nation or target country. Evacuation payments are authorized under these conditions and are usually paid outside the target country, at a pre-designated safe haven.

A soldier whose family members are located in an overseas area will execute DD Form 1337 authorizing a specific amount to be paid to his/her dependent. Payment is

made to the dependent upon presentation of the form. These evacuation payments may be paid in one or more installments.

Normally, evacuation payments would be made at the home station or safe haven port of debarkation. If the situation warrants, payments in the AO may be made in minimum amounts or not made at all. This precludes an outflow of cash from the AO. The advance of pay will not be more than two months' basic pay. Collection of the advance will be in accordance with JFTR Vol. 1, Chapter 6. Additional information on processing NEO payments is in Volumes 5 and 12, DODFMR (DOD 7000.14-R).

Joint Pub 1.0 and FM 90-29, Noncombatant Evacuation Operations, contain more information on NEO operations.

- *Provide non-US pay support.* Finance units are responsible for providing pay support for host nation employees, day laborers, enemy prisoners of war (EPW), and civilian internees (CI). In addition, finance units provide advice and training to EPW/CI camp commanders and staff. Host nation employee and day labor pay are provided through arrangements with the host nation or by tactical finance units. Payment of the local nation's civilians will occur in the AO. During more intense operations, accounting for this function may be transferred to a Designated Finance Support Activity (DFSA) with approval by the ASCC/CINC, DFAS, and the ASA (FM&C). Appendix D contains more information on EPW/CI pay.
- *Support bounty programs.* Bounty programs are used to purchase weapons, radios, information, and other items from local nationals. The most common example of this type of program is Weapons For Cash (WFC). This program has been used successfully in recent operations. The FINCOM/FG commander's designation of a lead executing agent or specific paying finance element will facilitate execution of this program.
- *Make solatium payments.* A solatium payment is monetary compensation given to indigenous personnel to alleviate grief, suffering, and anxiety resulting from injuries and property or personal loss. Sometimes solatium payments are made in order to meet cultural expectations. A solatium payment is nominal in amount, and is not an admission of liability by the US. The commander in whose area of responsibility the incident occurred is responsible for determining entitlement for solatium payments. The finance unit is responsible for the disbursing and accounting of all solatium payments. AR 27-20, Claims, contains more information on solatium payments.
- *Provide financial advice and guidance.* Finance unit commanders will provide financial support and advice to commanders within their respective AOs. This advice includes such issues as control of black market operations, control and use of currencies and MPC, provision for consistent finance support throughout their commands, and consistency of entitlements among

all servicemembers. For FINCOM, FG, and FB commanders, this function includes coordination of finance support throughout their respective AOs.

- Provide essential accounting support* The ability to report to Congress on the use of appropriated and nonappropriated funds is critical in meeting the Army's responsibility for stewardship of public resources. Appropriated and nonappropriated accounting requirements for a military operation are immense, and they begin before the first troop deployment. The quality of accounting records is totally dependent upon the timely receipt and accuracy of cost data. The finance command (FINCOM), if deployed to the AO, performs the accounting function. If a FINCOM is not deployed, a modular cell from the accounting branch of the FINCOM (see Chapter 5) may be deployed to perform the mission. This cell may be a component of the TSC Finance Operations Directorate. The level of accounting support depends upon the level of conflict and the complexity of the operation. In addition, any reimbursement agreements in effect will impact accounting reports and procedures. Close coordination with the ASCC DCSRM/Corps ACSR/Division RM is essential in the accounting and reporting process. Effective cost capturing is achieved through a joint effort between finance and resource management personnel. From home station, DFAS issues guidance and operates the financial systems which process all the finance and accounting information transmitted from the area of operations.
- Provide family support.* Rear detachment commanders and community commanders have the responsibility to keep family members informed and provide any assistance necessary in the absence of their sponsors. It is a unit commander's responsibility to ensure that soldiers provide family members access to financial resources during deployments. Finance unit commanders coordinate with rear detachment commanders to ensure financial management issues are properly emphasized, and that all soldier readiness processing (SRP) includes a finance portion. All soldiers will be on Sure Pay; for soldiers with spouses or other family members, this may mean having joint checking accounts, allowing family members access to meet financial obligations. Finance battalions must have the capability to provide Leave and Earnings Statements (LES) to both the soldier (active and reserve component) and the family member. LESs will be given to the rear detachment commanders, who will be responsible for distributing them to family members. FBs must have the ability to print LESs in the AO.

LOGISTICS CIVIL AUGMENTATION PROGRAM (LOGCAP)

LOGCAP provides contract augmentation capability to assist in providing support for forces during war or other contingency operations. It is designed primarily for areas where no multilateral or bilateral agreements or treaties exist. LOGCAP may also be used in areas where HNS agreements or contracts exist. AR 700-137 governs the program. Army Materiel Command's Logistics Support Element (LSE) is the on-site program manager and executor for LOGCAP. The LSE will work with support commands and staffs at every echelon (particularly the ASCC and TSC) to ensure that LOGCAP is fully integrated into the support plan for the operation. See FM 63-11 for more information.

Financial managers assist contracting officials in developing performance and reporting criteria. Financial managers also assist in developing payment and costing requirements, and assist the contracting officials in contract administration. Financial managers also have the responsibility to account for the costs of the LOGCAP contracts, and to monitor and control the funding of the program.